5 ways startups can power up their sustainability messaging

Companies of all sizes are realising that making are effort outside of the office is good for business and are embracing ESG (environmental, social and governance) or, as it's more commonly known, sustainability.

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Studies from organisations including <u>NYU Stern School of Business</u> show time and time again that sustainability goes hand in hand with better business performance, so it makes sense to talk about your startup's <u>sustainability efforts</u>. But how best to do this?

Whether you're at the start of a sustainability journey or already a way down the road, here are five simple strategies to power up your sustainability communications.

Put people first

For the past 50 years (or more like 500 years), the profit motive has informed the decisions of corporate officers, shareholders and board members. Policies that empower and liberate workers, have often taken a back-seat to those that streamline and restrict.

Slowly but surely public opinion is shifting, turning against policies that are tuned to greed instead of human need. <u>ESG values</u> have evolved to reflect that. Diversity, inclusion and wellbeing have become important criteria for running a sustainable business.

For startups there's the opportunity to establish these values early and earnestly. Shouting about all the good you do for your people, as well as our planet, can become the real driver of business success.

Example: The Seattle-based credit card processing company <u>Gravity</u>

<u>Payments</u> pays all its employees a \$70,000 minimum wage. The result?

Positive headlines, national front covers, happy employees and a dramatic increase in productivity.

Be honest

Imperfections are a good thing. They signal transparency, genuine effort and growth. More importantly, flaws make your business more human. Transformation takes time and effort, and we can all relate to that struggle. So, tell the world that you've switched your offices to renewable energy. But don't forget to share not-so-good news. Perhaps removing plastic waste from your operation is harder than expected. Share it. Honesty will only boost your credibility.

Example: Swedish oat milk giant <u>Oatly</u> was criticised for accepting investments from Blackstone Group, a private equity firm linked to deforestation in the Amazon. Oatly says they want to steer Blackstone towards more sustainable investments. If Oatly had mentioned this before entering into the new partnership, then they might have avoided the reputational fallout and remained true to their brand story.

Be proportionate

Tell it like it is. But be proportionate in your messaging too. What does that mean? You may be shifting to clean energy, transitioning to a closed-loop production system or trying to improve gender equality.

These things can take longer than expected, and that's okay. But if your

foreground messaging and content suggests that you're already fully sustainable, then people will notice the discrepancy. So, make sure to project an image of yourself that is realistic and proportionate to your current progress.

Example: The global oil and gas industry spends less than <u>1% of its</u> capital expenditure on low-carbon technologies. Yet, over 90% of their social media messaging suggests that they are leaders of the global renewable energy transition. This has led to a lot of negative exposure.

Don't tell people what to do

"Don't tell me what to do" is the title of a recent research paper. It shows that asking people to change their behaviour to address the climate crisis doesn't work. It puts people off.

This is true for other ESG matters too, whether that's reducing packaging waste or battling illegal child labour. People instinctively understand that businesses have much more power to change the world than individual consumers do.

That's why it's best to tell your customers first about what you do as a business to make the world a better place. Any messaging about individual actions will sound a lot better in that context.

Example: In 2011, *Patagonia* took out a full-page ad in The New York Times. Explaining that "the environmental cost of everything we do is astonishing", they asked viewers not to buy their jackets. Still, this so-called 'demarketing' stunt was acceptable. After all, as one of the most outspoken and active companies in the world, Patagonia walks the walk. A good example is how Patagonia commits 1% of its sales to environmental groups.

Make it stick

"Woo-hoo! We've reduced our Scope 1+2 CO2 emissions by 23% compared to a 2005 baseline." That's great news. Except, announcements like this can be notoriously hard to understand for non-experts.

As the Heath Brothers spelled out in their book 'Made To Stick', it's a matter of S-U-C-C-E-S: Simplicity, Unexpectedness, Concreteness, Credibility, Emotion and Story. Build these features into your messaging, and you're bound to succeed.

Example: Scotland's national water provider <u>Scottish Water</u> increased public trust to record levels (91%) with significant uplifts in recognition of their role in protecting the environment (87%) by running a highly successful initiative to reduce single-use plastics in society. Surprisingly, the simple 'top up from the tap' campaign never mentioned 'plastic' or 'bottled water'.

Communicating around sustainability sounds simple. It's all good, right? That's true. It is simple, provided you keep these five steps in mind, communicate carefully and thoughtfully, and don't overinflate your sustainable credentials.

Pete Martin is a creative sustainability strategist from <u>Always Be Content</u> (ABC)